EXAMTOPICS

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Question #1 *Topic 1*

Under a Hire Purchase Agreement, ownership is transferred to the hirer…

A. at the beginning of the contract

B. when all instalments have been paid

C. when half the instalments have been paid

D. if the items are damaged by the hirer

Suggested Answer: *B*

Currently there are no comments in this discussion, be the first to comment!

Question #2 *Topic 1*

Earl & Duke Corp has several organization business goals. One of these goals sets out the need to have a sustainable financial position and promote economic prosperity. This follows the triple bottom line framework. Which one of the framework's elements does this business goal highlight?

A. Profit

B. Performance

C. Prioritization

D. People

Suggested Answer: *A*

Currently there are no comments in this discussion, be the first to comment!

Question #3 *Topic 1*

An operations director (OD) is becoming concerned by the increasing volumes of inventory items held in storage. They initiate a review that shows an increasing volume of finished goods that remain in storage after production. Further investigation reveals that demand for these finished goods is now zero. Which of the following describes the issue identified by the OD?

A. Obsolescent stock

B. Damaged stock

C. Stock shortages

D. Stock lead times

Suggested Answer: *A*

Currently there are no comments in this discussion, be the first to comment!

Question #4 *Topic 1*

Contracts for hire is a method for renting an item from a business that exists to provide items for use from time to time. A contract for hire has which of the following features?

A. The person hiring the item contracts to use the item for a stated period, at an agreed rate per period on agreed terms

B. Ownership of the item transfers to the person hiring the item at the end of the agreed hire period

C. A contract for hire is an agreement for the person hiring out the item to sell it to the person hiring the item

D. At the end of the hire period, the person hiring the item keeps possession and lends to other customers

Suggested Answer: *A*

Currently there are no comments in this discussion, be the first to comment!

Question #5 *Topic 1*

In a fast-moving consumer goods (FMCG) organization, a site has separate packaging areas for incoming and outgoing food. The incoming packages must be opened and unpacked before any of the food ingredients can be sorted for distribution. Production line workers run the risk of severe hand strains and knife-related injures if the box cutting is done manually. Which of the following can eliminate any potential risk of injury to the production line workers while having the ability to increase the throughput?

A. Automated packaging systems and robotics

B. Bar coding system

C. Radio frequency identification

D. Warehouse management system

Suggested Answer: *A*

Currently there are no comments in this discussion, be the first to comment!

Question #6 *Topic 1*

PBP Toys has to manage annual seasonal demand that requires double the warehouse space that is has available in order to fulfil the orders. It requires this extra space for only a four week period each year. Which of the following solutions is the most effective way for PBP to manage this problem?

A. Reduce stock volumes held and undertake variety reduction

B. Rent additional space in a third-party warehouse facility

C. Relocate to a new warehouse capable of storing the required volumes

D. Replace warehouse racking and use stacking pallets throughout

Suggested Answer: *B*

Currently there are no comments in this discussion, be the first to comment!

Question #7 *Topic 1*

In relation to stock management techniques, which of the following are characteristics of 'vendor-owned stock'?

Buffer levels of stock are purchased

The supplier retains the title of the stock

The buyer provides physical storage

The buyer takes all the financial risk

A. 2 and 4 only

B. 2 and 3 only

C. 1 and 2 only

D. 1 and 4 only

Suggested Answer: *B*

Currently there are no comments in this discussion, be the first to comment!

Question #8 *Topic 1*

Which of the following supply chain activities can distort data for forecasting inventory?

Sales promotions by the marketing department

Over-ordering by customers

Increase in stock movements in the warehouse

Volatile logistic and container prices

A. 1 and 2

B. 2 and 3

C. 3 and 4

D. 1 and 4

Suggested Answer: *A*

Currently there are no comments in this discussion, be the first to comment!

Question #9 *Topic 1*

Zemora Clothing Inc. receives high-priced garments with devices hidden inside the lining. This is done to avoid possible fraudulent removal of the garments from the shop. These tags are activated when the items arrive at the stores. When a garment is moved by a customer from a display area. security employees receive an initial alert. An alarm rings if the customer passes through the doors of the shop without paying for the items. Which of the following order tracking technology is used by this company?

A. Radio frequency identification

B. Bar coding system

C. Electronic data interchange

D. Electronic resource planning

Suggested Answer: *A*

Currently there are no comments in this discussion, be the first to comment!

Question #10 *Topic 1*

In addition to the cost of interest on capital tied up in inventory, and losses through deterioration and obsolescence, there are other holding costs. Which of the following are holding costs? (Choose two that apply.)

A. Production costs

B. Cost of idle time

C. Storage costs

D. Selling costs

E. Administrative costs

Suggested Answer: *C, E*

Currently there are no comments in this discussion, be the first to comment!

Question #11 *Topic 1*

A manufacturing organization has a large volume of raw material stock now viewed as redundant. Which of the following is the most appropriate process for the organization?

A. Scrap the stock as environmentally as possible and re-organise the warehouse

B. Re-package and isolate the stock from the remaining stock to maximise usable space

C. Ask the original supplier for potential return and credit or sell the stock

D. Maintain the safety and security of the stock for potential future use

Suggested Answer: *C*

Currently there are no comments in this discussion, be the first to comment!

Question #12 *Topic 1*

When designing the layout of a warehouse or stores area, one of the factors to consider is the width of the aisles between the racking. Which of the following is a main consideration when calculating the aisle width?

A. Turning circle of the forklift truck and the size of the pallet being carried

B. Dimensional depth and height of pallet racks

C. Overall height of driver's cage of the forklift truck

D. Dimensional length and depth of the items on a pallet

Suggested Answer: *A*

Currently there are no comments in this discussion, be the first to comment!

Question #13 *Topic 1*

Which of the following are examples of acquisition costs for the buying organization? (Choose two.)

A. The disposal costs of the assets

B. The costs associated with consumer product sales tax

C. The costs of approving and paying invoices

D. The advertising costs of the marketing company

E. The costs of the goods or materials

Suggested Answer: *C, E*

Currently there are no comments in this discussion, be the first to comment!

Question #14 *Topic 1*

Which of the following are considerations for the socially responsible aspect of the disposal of goods?

1. Ensuring that the public is safeguarded from the short-term and long-term effects of the disposal

2. Ensuring that the organization arranging for disposal gets value for money from the disposal process

3. Ensuring that there is limited damage to the environment caused by the disposal

4. Ensuring that the disposal of goods minimizes the risk and impact to the staff and community

A. 1 and 4

B. 1 and 3

C. 2 and 4

D. 2 and 3

Suggested Answer: *B*

Currently there are no comments in this discussion, be the first to comment!

Question #15 *Topic 1*

Which of the following are features of dependent demand items of stock?

1. They depend on the production levels of the user departments

2. They depend on the production capacity of the supplier

3. They can be managed using JIT systems

4. They become obsolete within a short time

A. 2 and 3 only

B. 3 and 4 only

C. 1 and 3 only

D. 1 and 2 only

Suggested Answer: *C*

Currently there are no comments in this discussion, be the first to comment!

Question #16 *Topic 1*

Which of the following is commonly used in larger warehouses to transfer larger volumes of stock in box, tote or pallet forms along a fixed path?

A. Stacker cranes

B. Vacuum lifters

C. Reach trucks

D. Roller conveyors

Suggested Answer: *D*

Currently there are no comments in this discussion, be the first to comment!

Question #17 *Topic 1*

A company does not have enough space to hold inventory to satisfy an external foreign market. Therefore, the board of directors have decided that the company would buy stock in bulk and pay a fee for storage to a third-party warehouse provider local to the foreign market. This would allow the company to focus on other aspects of the business. The stock will be called off as and when required. Which of the following strategies is being pursued by this company?

A. Outsourcing

B. Insourcing

C. Cross-docking

D. Partnering

Suggested Answer: *A*

Currently there are no comments in this discussion, be the first to comment!

Question #18 *Topic 1*

What term describes the method used to account for inventory, where the most recently produced items are recorded as sold first?

A. Last in, first out

B. First in, first out

C. Last in, last out

D. First in, last out

Suggested Answer: *A*

Currently there are no comments in this discussion, be the first to comment!

Question #19 *Topic 1*

Which ONE of the following correctly differentiates between obsolescent and redundant stock?

A. Obsolescent stock is in short supply, redundant stock has no current supplier with stock available

B. Obsolescent stock is damaged goods that need returning to suppliers, redundant stock is no longer stocked by the organisation

C. Obsolescent stock has been updated by another item but can still be used, redundant stock is no longer used by an organisation

D. Obsolescent stock has been supplied by a failed supplier, redundant stock requires quality testing before use

Suggested Answer: *C*

Currently there are no comments in this discussion, be the first to comment!

Question #20 *Topic 1*

A warehouse manager (WM) has been given the task of redesigning the interior layout of the organisation's main storage facility. There are numerous issues with how stock items can be moved around the facility. There are often delays, items are damaged, and there have been some health and safety incidents. The issue the WM is trying to resolve is known as…

A. flow

B. flexibility

C. capacity

D. volume

Suggested Answer: *A*

Currently there are no comments in this discussion, be the first to comment!

Question #21 *Topic 1*

'The main consideration in designing the layout of a warehouse is the size of the storage space utilised'.

Is this statement TRUE?

A. Yes, because large space provides assurance that stocks will not run out

B. Yes, because suppliers need to be assured that the orders they receive will have storage when delivered

C. No, because other consideration such as the traffic flow within the store are important

D. No, because the most important consideration in stores design is the location of the main exit

Suggested Answer: *C*

Currently there are no comments in this discussion, be the first to comment!

Question #22 *Topic 1*

The chief procurement officer (CPO) of TL Communications Ltd is preparing a tender document for a two year cleaning services contract. The CPO has decided that the tender will be awarded on a fixed price. What is the advantage of using a fixed price for the contract?

A. It is the best method for limiting underpricing and overpricing risks

B. It gives an opportunity to negotiate bulk discounts

C. It is always the best pricing method for both the buyer and the supplier

D. It ensures that the cost is known and will not change over the stated period

Suggested Answer: *D*

Currently there are no comments in this discussion, be the first to comment!

Question #23 *Topic 1*

Which of the following are examples of costs relating to holding costs? (Choose two that apply.)

A. Costs associated with production machine downtime

B. Costs associated with preparing the requisition

C. Costs associated with inventory insurance

D. Costs associated with chasing an order

E. Costs associated with product deterioration

Suggested Answer: *C, E*

Currently there are no comments in this discussion, be the first to comment!